



Federal Communications Commission
Washington, D.C. 20554

October 10, 2023

The Honorable Maria Cantwell
Chair
Committee on Commerce, Science, and Transportation
United States Senate
428 Dirksen Senate Office Building
Washington, DC 20510

Dear Madam Chair:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program to advance national security by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation from our Nation's communications networks. The Commission has made the successful implementation of the Reimbursement Program one of its top priorities. On behalf of the agency, over the last two years I have provided six updates to Congress concerning the Commission's work to review and process the applications submitted to the Reimbursement Program.¹ Today I am writing to continue to keep you informed of the status of our work administering the Reimbursement Program in light of upcoming deadlines under the law.

In order to apply for the Reimbursement Program, eligible providers of advanced communications service were required to file applications with the Commission, including a plan for the full removal, replacement, and disposal of the Huawei and ZTE equipment in their networks. The Commission issued decisions approving or denying these applications on July 15, 2022. The approved applications sought approximately \$4.98 billion in reasonable costs, reflecting a \$3.08 billion shortfall from the current appropriation of \$1.9 billion. Because the demand for support exceeded the current appropriation, under the Secure and Trusted Communications Networks Act, the Commission was required to prioritize applicants with two million or fewer customers,² and even then, the Commission was compelled to prorate funds, providing 39.5 percent of reasonable costs.

¹ Letter from Jessica Rosenworcel, Chairwoman, Federal Communications Commission, to The Honorable Frank Pallone, Jr., et al. (Feb. 4, 2022); Letter from Jessica Rosenworcel, Chairwoman, Federal Communications Commission, to The Honorable Gary C. Peters, et al. (May 20, 2022); Letter from Jessica Rosenworcel, Chairwoman, Federal Communications Commission, to The Honorable Frank Pallone, Jr., et al. (June 1, 2022); Letter from Jessica Rosenworcel, Chairwoman, Federal Communications Commission, to The Honorable Frank Pallone, Jr., et al. (June 15, 2022); Letter from Jessica Rosenworcel, Chairwoman, Federal Communications Commission, to The Honorable Frank Pallone, Jr., et al. (July 15, 2022); Letter from Jessica Rosenworcel, Chairwoman, Federal Communications Commission, to The Honorable Frank Pallone, Jr., et al. (May 3, 2023).

² The Commission was also compelled to deny one application from an otherwise eligible applicant because it was in a lower priority tier due to the size of its customer base (between two and ten million customers).

Those applicants approved for funding support in the Reimbursement Program were required to submit at least one reimbursement claim to the agency by July 17, 2023.³ The Secure and Trusted Networks Communications Act requires that Reimbursement Program recipients complete the permanent removal, replacement, and disposal of Huawei and ZTE communications equipment and services in their networks within one year of the first distribution of reimbursement funds to the recipient.⁴ As of October 2, 2023, reimbursement claim requests have been submitted for 122 of the 126 applications approved for the Reimbursement Program and the Commission has approved distributions of reimbursement funds for 112 of those applications, which now have deadlines to remove all Huawei and ZTE communications equipment and services ranging from October 8, 2023 to September 23, 2024, based on the initial distribution of funds to the recipients.

The Commission subsequently received several requests to extend Reimbursement Program recipients' one-year removal, replacement, and disposal term by six months. The law permits the Commission to provide such six-month extensions if they are "due to no fault of such recipient."⁵ Many of the recipients requesting extensions claim they are unable to timely complete this project without full funding. On October 10, 2023, the Wireline Competition Bureau granted several of these extensions for a period of six months, finding that the lack of full funding had slowed their removal, replacement, and disposal processes. It is important to note, however, that the grant of these extensions does not lessen the urgency for a fully funded Reimbursement Program. Indeed, the lack of full funding means that insecure equipment will remain in our Nation's communications networks for a longer period. The Commission stands ready to assist Congress in any efforts to fully fund the Reimbursement Program and support the removal of insecure equipment from our communications infrastructure.

I hope this information is helpful to you. I look forward to continuing to work with you to achieve the goals of the Reimbursement Program and the essential task of securing our Nation's communications networks.

Sincerely,

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³ 47 CFR § 1.50004(g)(1) ("Within one year of the approval of its Reimbursement Program application, a recipient must file at least one reimbursement claim."); *see also Wireline Competition Bureau Reminds Secure and Trusted Communications Networks Reimbursement Program Recipients of the July 17, 2023 Deadline to File an Initial Reimbursement Claim*, WC Docket No. 18-89, Public Notice, DA 23-445 (WCB May 24, 2023).

⁴ 47 U.S.C. § 1603(d)(6)(A).

⁵ 47 U.S.C. § 1603(d)(6)(C).



Federal Communications Commission
Washington, D.C. 20554

October 10, 2023

The Honorable Ted Cruz
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate
512 Hart Senate Office Building
Washington, DC 20510

Dear Ranking Member Cruz:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program to advance national security by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation from our Nation's communications networks. The Commission has made the successful implementation of the Reimbursement Program one of its top priorities. On behalf of the agency, over the last two years I have provided six updates to Congress concerning the Commission's work to review and process the applications submitted to the Reimbursement Program.¹ Today I am writing to continue to keep you informed of the status of our work administering the Reimbursement Program in light of upcoming deadlines under the law.

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Federal Communications Commission
Washington, D.C. 20554

October 10, 2023

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Madam Chair:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program to advance national security by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation from our Nation's communications networks. The Commission has made the successful implementation of the Reimbursement Program one of its top priorities. On behalf of the agency, over the last two years I have provided six updates to Congress concerning the Commission's work to review and process the applications submitted to the Reimbursement Program.¹ Today I am writing to continue to keep you informed of the status of our work administering the Reimbursement Program in light of upcoming deadlines under the law.

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Washington, D.C. 20554

October 10, 2023

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, DC 20515

Dear Ranking Member Pallone:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program to advance national security by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation from our Nation's communications networks. The Commission has made the successful implementation of the Reimbursement Program one of its top priorities. On behalf of the agency, over the last two years I have provided six updates to Congress concerning the Commission's work to review and process the applications submitted to the Reimbursement Program.¹ Today I am writing to continue to keep you informed of the status of our work administering the Reimbursement Program in light of upcoming deadlines under the law.

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Federal Communications Commission
Washington, D.C. 20554

October 10, 2023

The Honorable Chris Van Hollen
Chairman
Subcommittee on Financial Services and General Government
Committee on Appropriations
United States Senate
S-128 The Capitol Building
Washington, DC 20510

Dear Chairman Van Hollen:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program to advance national security by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation from our Nation's communications networks. The Commission has made the successful implementation of the Reimbursement Program one of its top priorities. On behalf of the agency, over the last two years I have provided six updates to Congress concerning the Commission's work to review and process the applications submitted to the Reimbursement Program.¹ Today I am writing to continue to keep you informed of the status of our work administering the Reimbursement Program in light of upcoming deadlines under the law.

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Washington, D.C. 20554

October 10, 2023

The Honorable Bill Hagerty
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
United States Senate
125 Hart Senate Office Building
Washington, DC 20510

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The Honorable Steve Womack
Chair
Subcommittee on Financial Services and General Government
Committee on Appropriations
U.S. House of Representatives
2000 Rayburn House Office Building (G Floor)
Washington, DC 20515

Dear Chairman Womack:

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Those applicants approved for funding support in the Reimbursement Program were required to submit at least one reimbursement claim to the agency by July 17, 2023.³ The Secure and Trusted Networks Communications Act requires that Reimbursement Program recipients complete the permanent removal, replacement, and disposal of Huawei and ZTE communications equipment and services in their networks within one year of the first distribution of reimbursement funds to the recipient.⁴ As of October 2, 2023, reimbursement claim requests have been submitted for 122 of the 126 applications approved for the Reimbursement Program and the Commission has approved distributions of reimbursement funds for 112 of those applications, which now have deadlines to remove all Huawei and ZTE communications equipment and services ranging from October 8, 2023 to September 23, 2024, based on the initial distribution of funds to the recipients.

The Commission subsequently received several requests to extend Reimbursement Program recipients' one-year removal, replacement, and disposal term by six months. The law permits the Commission to provide such six-month extensions if they are "due to no fault of such recipient."⁵ Many of the recipients requesting extensions claim they are unable to timely complete this project without full funding. On October 10, 2023, the Wireline Competition Bureau granted several of these extensions for a period of six months, finding that the lack of full funding had slowed their removal, replacement, and disposal processes. It is important to note, however, that the grant of these extensions does not lessen the urgency for a fully funded Reimbursement Program. Indeed, the lack of full funding means that insecure equipment will remain in our Nation's communications networks for a longer period. The Commission stands ready to assist Congress in any efforts to fully fund the Reimbursement Program and support the removal of insecure equipment from our communications infrastructure.

I hope this information is helpful to you. I look forward to continuing to work with you to achieve the goals of the Reimbursement Program and the essential task of securing our Nation's communications networks.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessica Rosenworcel", with a long horizontal flourish extending to the right.

Jessica Rosenworcel

³ 47 CFR § 1.50004(g)(1) ("Within one year of the approval of its Reimbursement Program application, a recipient must file at least one reimbursement claim."); *see also Wireline Competition Bureau Reminds Secure and Trusted Communications Networks Reimbursement Program Recipients of the July 17, 2023 Deadline to File an Initial Reimbursement Claim*, WC Docket No. 18-89, Public Notice, DA 23-445 (WCB May 24, 2023).

⁴ 47 U.S.C. § 1603(d)(6)(A).

⁵ 47 U.S.C. § 1603(d)(6)(C).



Federal Communications Commission
Washington, D.C. 20554

October 10, 2023

The Honorable Steny Hoyer
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
U.S. House of Representatives
1036 Longworth House Office Building
Washington, DC 20515

Dear Ranking Member Hoyer:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program to advance national security by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation from our Nation's communications networks. The Commission has made the successful implementation of the Reimbursement Program one of its top priorities. On behalf of the agency, over the last two years I have provided six updates to Congress concerning the Commission's work to review and process the applications submitted to the Reimbursement Program.¹ Today I am writing to continue to keep you informed of the status of our work administering the Reimbursement Program in light of upcoming deadlines under the law.

In order to apply for the Reimbursement Program, eligible providers of advanced communications service were required to file applications with the Commission, including a plan for the full removal, replacement, and disposal of the Huawei and ZTE equipment in their networks. The Commission issued decisions approving or denying these applications on July 15, 2022. The approved applications sought approximately \$4.98 billion in reasonable costs, reflecting a \$3.08 billion shortfall from the current appropriation of \$1.9 billion. Because the demand for support exceeded the current appropriation, under the Secure and Trusted Communications Networks Act, the Commission was required to prioritize applicants with two million or fewer customers,² and even then, the Commission was compelled to prorate funds, providing 39.5 percent of reasonable costs.

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Sincerely,



Jessica Rosenworcel

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